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## GENERAL GOVERNMENT

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### Department of Industrial Relations

The 2003-04 Governor's Budget includes total expenditures of \$244.5 million (\$63.3 million General Fund) for the Department of Industrial Relations (DIR). This amount includes a reduction of \$95.2 million General Fund, primarily resulting from the conversion of funding support for DIR's workers' compensation programs to 100 percent user funding.

General Fund savings is also achieved by transferring administration and claims payment responsibilities for the Uninsured Employers Program to the State Compensation Insurance Fund, and by recognizing workload efficiencies resulting from the creation of the Labor and Workforce Development Agency. DIR's workplace safety, labor standards enforcement, and job training programs are not significantly impacted by the proposed reductions. In addition, the Budget proposes the following augmentation for 2003-04:



**AB 749 Implementation**—The Budget includes \$9.2 million (special funds) and 68 personnel years for DIR to implement Chapter 6, Statutes of 2002 (AB 749). Chapter 6 enacted cost-saving reforms for employers and increased benefits to injured workers. This augmentation provides for additional workers' compensation judge teams, enhanced audit activities, fraud prevention, and implementation of an occupational health and safety education program.

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## Employment Development Department

**Trade Adjustment Assistance**—The Budget includes \$17 million to provide training and other types of assistance to workers who have become unemployed due to the relocation of production to other countries. This increased funding level reflects the consolidation of grants formerly provided pursuant to the North American Free Trade Agreement with those provided under the newly reauthorized federal Trade Adjustment Assistance program.

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## Department of General Services

The 2003-04 Budget includes total expenditures of \$837.1 million (\$3 million General Fund) for the Department of General Services. This amount includes a \$13.7 million General Fund reduction resulting from a shift in funding support for various departmental services to user support. In addition, the Budget proposes the following for 2003-04:

**Asset Planning and Enhancement**—The Budget includes \$250,000 Property Acquisition Law Money Account to fund consultant services to assist in the marketing and sale of two



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properties in Southern California. The combined sale of these properties is estimated to generate up to \$10 million in additional General Fund revenue in 2003-04.

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## Department of Veterans Affairs

The Governor's Budget includes \$328.2 million to support the Department's various programs.

**Examination of Revenue and Expenditure Issues**—A comprehensive review of the Department's expenditures and revenues will be conducted, as they relate to cash flow issues at the veterans homes, repayment of General Fund loans from previous years, and the possible need for deficiency funding. The Administration plans to address these issues during the Spring budget process.

**Member Fees**—The Budget proposes to restore member fees in the residential care units of the veterans homes to the levels that existed prior to a recent fee reduction. This would result in a \$1.15 million decrease in General Fund funding provided to the Department and a corresponding increase in reimbursements.

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## Department of Food and Agriculture

The Governor's Budget proposes \$269 million (\$86.6 million General Fund and \$182.4 million in other funds) for the Department of Food and Agriculture, including the following adjustments:

**Specialty Crop Support Program**—The Budget includes \$22.9 million in federal funds in 2003-04 to continue funding for market promotion and development programs.



**Mediterranean Fruit Fly Preventative Release Program**—The Budget continues \$8.9 million General Fund to reduce the growing threat to California from invasive pests.

**Hydrilla Eradication**—The Budget includes an augmentation of \$1.2 million in special funds for eradication efforts associated with the noxious water weed, hydrilla.

**Detection and Trapping**—The Budget includes an augmentation of \$3.4 million federal funds to bolster statewide trapping and detection programs for the Mexican fruit fly, the Japanese Beetle, and other harmful insects negatively affecting California's agriculture.

**Buy California**—A savings of \$1.5 million General Fund is proposed for this program. As noted above, marketing activities will continue with the support of available federal funding.

**Pest Control**—The Budget contains a reduction of \$1.5 million in Weed & Vertebrae and Bio-Control Programs commensurate with internal streamlining of these activities.

**Agricultural Inspection Stations**—A reduction of approximately \$1.4 million for Agricultural Inspection Stations is included in the Budget.

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## California Victim Compensation and Government Claims Board

**Victim Compensation Program Claims Payments**—The Budget includes \$199.1 million in 2002-03 and \$171.2 million in 2003-04 to fund the cost of medical and dental expenses, mental health counseling expenses, and prescription medication expenses for victims of violent crimes. In order to bring Restitution Fund



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expenditures in line with revenues, the Board has taken a number of administrative actions and has proposed legislation aimed at containing costs and increasing revenues. These measures are expected to allow the Board to continue to provide a high level of service to crime victims while eliminating unnecessary administrative expenditures.

**Claims Processing System**—The Budget includes an augmentation of \$430,000 Federal Trust Fund in 2003-04 for the continued modernization of the Victim Compensation Program's computerized claims processing system. This project is expected to increase the efficiency of the Board related to processing victim compensation claims.

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## Local Mandate Funding (Non-Education Issues)

The Governor's Budget proposes to continue the deferral of mandates payments, preserving the obligation of local governments to provide the mandated activities as well as the obligation of the State to reimburse those entities in the future, with interest. The estimated deferred obligation in 2003-04 for non-education mandates (including amounts deferred in 2002-03) is approximately \$769 million.



